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May 15, 2006

Honorable Elizabeth O'Donnell
Executive Director
211 Sower Boulevard
Frankfort, KY 40602-0615

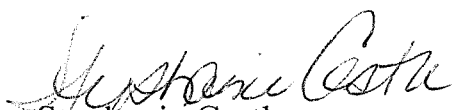
Re: Atmos Energy Corporation
Case No. 98-509

Dear Ms. O'Donnell:

Pursuant to the Order of the Commonwealth of Kentucky dated January 15, 1999 in the above referenced docket, enclosed is the report of action for Atmos Energy Corporation's Equity Incentive and Deferred Compensation Plan and for the 1998 Long-Term Incentive Plan for the periods of October 1, 2005 through March 31, 2006.

If you have any questions or require further information, please do not hesitate to contact me at (972) 855-9755. Thank you for your assistance.

Sincerely,


Stephanie Castle
Assistant Treasurer

Enclosures

cc: Gary Smith

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

Application of Atmos Energy Corporation (Atmos), through its division, Western Kentucky Gas Company of Owensboro, Kentucky, for an order authorizing the creation and issuance of 150,000 shares of common stock through its Equity Incentive and Deferred Compensation Plan for Non-Employee Directors and 1,500,000 shares through its 1998 Long-Term Incentive Plan

Case No. 98-509

**REPORT OF ACTION
Prepared on May 15, 2006**

Reference is made to the order entered into on January 15, 1999 that Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western") reports that the Company is authorized to create and issue during 1999 and subsequent years up to 150,000 shares of its common stock pursuant to its Equity Incentive and Deferred Compensation Plan for Non-Employee Directors and 1,500,000 shares through its 1998 Long-Term Incentive Plan.

1. For the period October 1, 2005 through March 31, 2006, the Petitioner reports that there were no shares exercised under the Equity Incentive and Deferred Compensation Plan for Non-Employee Directors with no increase in capital stock. The aggregate number of shares authorized but not issued under Case No. 98-509 totaled 147,260 as of March 31, 2006.
2. For the period October 1, 2005 through March 31, 2006, the Petitioner reports that there were 104,585 shares issued under the 1998 Long-Term Incentive Plan with \$4,460,932.42 increase in capital stock. The aggregate number of shares authorized but not issued under Case No. 98-509 totaled 1,070,631 as of March 31, 2006.
3. Petitioner reports that the expenses related to the issuance of common stock under the Equity Incentive and Deferred Compensation Plan for Non-Employee Directors and the 1998 Long-Term Incentive Plan during the calendar year were immaterial.

Atmos Energy Corporation


Stephanie Castle
Assistant Treasurer